

DRAFT v1

2:09 p.m.

STATEMENT OF GOVERNOR HALEY BARBOUR

Monday, October 12, 2009

In view of the continuing revenue shortfall that threatens the state budget, I have begun working on additional cuts that will be needed to keep the budget in balance.

Complicating the process is a state statute requiring that all agencies be cut by at least 5 percent before any agency is cut by more than 5 percent, which leaves a Governor with inadequate legal authority to make all of the necessary cuts; I will make further cuts where I can, but it is likely the Legislature will have to deal with the need for more cuts when it returns in January 2010.

While we make cuts, we must also reevaluate how state agencies conduct business. As part of a process I hope will lead to greater efficiencies and more transparency in how state agencies use their money, I have asked each agency to conduct a detailed, top to bottom analysis of its operations in order to identify their most essential programs and priorities. I have asked for this information by ((DATE? – do we want to impose a deadline?)) and will report these findings to the people of Mississippi as part of the FY 2011 budget process.

Much has been said recently about employment and unemployment statistics in Mississippi, and the fact is our state has not been immune from the national economic recession. But let's not distort the fact that the total number of people working as of the end of August 2009 compares roughly to the total number of people working when I took office in 2004. While the unemployment rates may move up and down, their monthly ebb and flow don't change the underlying drive of my administration, which is to create more jobs; I am working to do so.

((NOTE: We'll need to reconcile this - non-farm, seasonally adjusted in January 2004 shows 1,233,400 employed, compared to 1,160,200 employed in August 2009 – a difference of -73,200. Not seasonally adjusted in January 2004 shows 1,219,100 employed, compared to 1,157,600 in August 2009 – a difference of -61,500. September 2009 non-farm seasonally adjusted rates are to be released Oct. 21. Reb, please double-check all this, or perhaps some other kind of stats can be used.)))

We have also learned a tough but valuable lesson: Mississippi must transition to a state budget process that is not so heavily dependent on federal money. In the current situation, federal stimulus dollars will be gone by December 2010 – which is the middle of Fiscal Year 2011; the loss of this one-time federal money is likely to leave huge gaps in the state budget and adversely affect some services. We must not count on it or other one-time federal money in the future; instead, the state must live within its means.

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